



pennsylvania
DEPARTMENT OF AGRICULTURE

**Pennsylvania Horse and Harness Racing Commissions
2013 Annual Report**

2013 Horse Racing Commission

Alan Novak, Chairman
Jonathan Newman, Commissioner
Dr. Corinne Sweeney, Commissioner
Walter Remmert, Acting Executive Secretary

2013 Harness Racing Commission

Roy W. Wilt, Chairman
Noah Wenger, Commissioner
C. Edward Roger, Jr., Commissioner
George Crawford, Executive Secretary

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Introduction

Since 1959, people have enjoyed the fast pace and excitement of live horse and harness racing at six racetracks across Pennsylvania. In nearly six decades, the state has become a prime spot to breed and race top horses and to soak in the live racing experience. With excitement, heritage, and local flavor, 16 county and community fairgrounds host Pennsylvania fair harness racing.

Thoroughbred racetracks offered \$110 million in purses to top racers in 2013 and harness racing put \$108 million on the table, with its three tracks ranked in the top six in North American in gross payout. Last year, bettors wagered more than \$800 million on Pennsylvania racing.

Pennsylvania's racing commissions ensure the integrity of the sport, developing testing protocols, and working through the Pennsylvania Equine Testing Research Laboratory (PETRL) testing lab and the University of Pennsylvania and with industry participants and neighboring states' racing authorities. They also oversee incentive programs that raise the profile and marketability of top local performers, their owners, and breeders.

2013 Licensing and Ruling Statistics

Licenses Issued

Thoroughbred Total	8,771	Harness Total	3,935
COMBINED LICENSING		12,706	

Licensing Fees Collected

Thoroughbred Licensing	\$328,765		
Thoroughbred Colors Fees	\$29,425		
Total Thoroughbred Fees:	\$ 358,190	Total Harness Fees:	\$294,224
COMBINED LICENSING FEES		\$652,414	

Rulings Issued

THOROUGHBRED		HARNESS	
Executive Office	61	Executive Office	117
Parx	292	Harrah's	296
Penn National	475	Meadows	269
Presque Isle	125	Pocono	277
Total Thoroughbred	953	Total Harness	959
COMBINED RULINGS		1,912	

Fines Collected

Thoroughbred	\$125,302	Harness	\$135,729
COMBINED FINES		\$261,031	

2013 State Racing Commissions Report of Expenditures

(Jan. 1 to Dec. 31, 2013)

Racing Expenditures	
Salaries	\$1,258,291.25
Wages	\$4,592,818.29
Overtime	\$42,145.99
Benefits	\$3,388,966.93
Other Personnel Costs	\$110,417.00
Total Racing Personnel Services	\$9,392,639.46
Travel Expenses	\$27,318.90
Communications	\$45,199.84
Database/Technical Infrastructure	\$217,046.51
Legal Services/Fees	\$41,669.49
Specialized, Contracted, and Other Services	\$195,245.64
Membership Dues	\$70,904.40
Supplies (Office, Laboratory, etc.)	\$159,321.99
Equipment	\$180,082.30
Software/Hardware	\$29,947.95
Postage and Freight	\$56,695.88
Other Operating Expenses	\$35,049.07
Total Racing Operating Expenses	\$1,058,481.97
Interfund Reimbursements	\$1,180,970.00
Total Racing Non-Expense Items	\$1,180,970.00
Total Racing Expenditures	\$11,632,091.43
PETRL Expenditures	
Salaries	\$333,857.06
Benefits	\$174,344.55
Total PETRL Personnel Services	\$508,201.61
Travel	\$890.77
Communications	\$9,578.71
Supplies (Office, Laboratory, etc.)	\$165,753.97
Postage and Freight	\$571.62
Specialized, Contracted, and Other	\$1,297,527.80
Other Operating Expenses	\$3,550.73
Total PETRL Operating Expenses	\$1,477,873.60
Interfund Reimbursements	\$250,000.00
Total PETRL Non-Expense Items	\$250,000.00
Total PETRL Expenditures	\$2,236,075.21
Total Racing and PETRL Expenditures	\$13,868,166.64

Funding supports racing at three thoroughbred tracks (Parx, Penn National, and Presque Isle) and three Standardbred tracks (Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and The Meadows). A total of 1,005 live racing days were held at these tracks in 2013. Funding also supports a complement of approximately 40 salary employees and 180 wage employees to operate the commissions' racing programs in Pennsylvania.

Track Complement in Administrative Positions

Parx	35
Penn National	34
Presque Isle	31
The Meadows	32
Pocono Downs	28
Harrah's Philadelphia	28
PETRL	3
Administrative	34
TOTAL	225

Pennsylvania Breeders Fund Statement of Restricted Revenue

(Calendar Year Ending December 31, 2013)

FUND BALANCE (adjusted) as of 1-1-13		-\$1,523,553
REVENUE		
Transfers from Race Horse Development Fund in 2013		\$17,125,771
TOTAL REVENUE CY13		\$17,125,771
EXPENDITURES		
Administration and Development		\$642,471
Awards		
Breeder	\$9,495,800	
Stallion	\$1,239,564	
Owner	\$70,660	
Total Awards		\$10,806,024
Purses		
Overnights	\$632,825	
Stakes	\$4,116,674	
Total Purses		\$4,749,499
TOTAL EXPENDITURES CY13		\$16,197,994
REVENUE OVER EXPENDITURES CY13		\$927,777
FUND BALANCE as of January 1, 2014		-595,776

2013 Standardbred Breed-Enhancement Programs

Sire Stakes

Balance as of January 1, 2013	\$7,676,504
Receipts	
Transfers from Race Horse Development Fund CY2013	\$7,997,969
Transfers from Race Horse Development Fund in 2014 applicable to 2013	\$243,590
Nominating Fees	\$119,061
Sustaining Fee	\$1,209,584
Total Revenue	\$9,570,204
Expenditures	
Personnel	\$155,024
Operating	\$9,001
Administrative	\$9,275
Awards	\$9,978,188
Total Expenditures	\$10,151,488
Net Change	\$(581,284)
Balance as of December 31, 2013	\$7,095,220

Standardbred Breeders Fund

Balance as of January 1, 2013	\$8,626,617
Receipts	
Transfers from Race Horse Development Fund CY2013	\$7,997,969
Transfers from Race Horse Development Fund in 2014 applicable to 2013	\$243,590
Total Revenue	\$8,241,559
Expenditures	
Awards Paid in CY13	\$8,607,024
Administrative	\$425
Total Expenditures	\$8,607,449
Net Change	(\$365,890)
Prior Year Adjustment	(\$2,962)
Balance as of December 31, 2013	\$8,257,765

2013 Taxable Wagering on Horse Racing

(Handle total determines base for PA taxes, Commissions' expenses)

RACINO	Thoroughbred	Harness	Total
Parx Racing	\$171,577,945	\$27,937,510	\$199,515,455
Penn National	\$83,466,736	\$7,697,053	\$91,163,789
The Meadows	\$53,123,199	\$30,364,832	\$83,488,031
Mohegan Sun/Pocono Downs	\$40,196,716	\$22,198,667	\$62,395,383
Harrah's Philadelphia	\$20,993,347	\$10,293,025	\$31,286,372
Presque Isle Downs	\$12,044,745	\$683,318	\$12,728,063
TAXABLE WAGERING	\$381,402,688	\$99,174,405	\$480,577,093

Pennsylvania Betting by Tracks' Systems

("System betting" = on-track, phone/computer, and at off-track sites)

<u>THOROUGHbred</u>		<u>STANDARDbred</u>	
PARX		MEADOWS	
On-Track	\$56,520,246	On-Track	\$22,834,156
Phone Bet	\$39,582,664	Account Wagering	\$21,549,364
Center City	\$12,430,629	New Castle	\$14,256,269
South Philadelphia	\$41,879,403	Harmar	\$16,448,486
Valley Forge	\$16,353,071	Moon	\$7,150,245
Brandywine	\$11,209,776	SYSTEM TOTAL	\$82,238,520
Northeast	\$24,634,717		
SYSTEM TOTAL	\$202,610,506		
PENN NATIONAL		POCONO	
On-Track	\$23,700,289	On-Track	\$17,524,847
Telebet	\$19,874,480	Dial-A-Bet	\$9,331,684
Reading	\$10,855,532	Carbondale	\$7,320,826
Chambersburg	\$5,813,989	East Stroudsburg	\$8,583,741
York	\$16,655,367	Lehigh Valley	\$22,589,651
Lancaster	\$11,578,477	SYSTEM TOTAL	\$65,350,749
SYSTEM TOTAL	\$88,478,134		
PRESQUE ISLE		HARRAH'S PHILA.	
On-Track	\$10,450,707	On-Track	\$25,251,058
SYSTEM TOTAL	\$10,450,707	Account Wagering	\$6,035,312
		SYSTEM TOTAL	\$31,286,370
T'BRED SYSTEMS	\$301,539,347	HARNESS SYSTEMS	\$178,875,639

2013 Betting on Live Racing

(at the track, through phone/OTW, at other state tracks, and outside the state)

THOROUGHBRED		STANDARD BRED	
PARX	(209 cards)	MEADOWS	(208 cards)
On-Track	\$14,435,418	On-Track	\$5,131,182
Phone Betting/OTWs	\$9,582,758	Phone Betting/OTWs	\$3,658,308
Intrastate Wagering	\$6,855,182	Intrastate Wagering	\$5,385,517
Interstate Wagering	\$243,884,689	Interstate Wagering	\$92,392,857
BET ON PARX	\$274,758,047	BET ON MEADOWS	\$106,567,864
PENN NATIONAL	(197 cards)	POCONO	(140 cards)
On-Track	\$6,539,407	On-Track	\$4,253,150
Phone Betting/OTWs	\$4,214,377	Phone Betting/OTWs	\$1,842,931
Intrastate Wagering	\$8,736,996	Intrastate Wagering	\$3,225,915
Interstate Wagering	\$192,973,659	Interstate Wagering	\$55,350,941
BET ON PENN NAT.	\$212,464,439	BET ON POCONO	\$64,672,937
PRESQUE ISLE	(100 cards)	HARRAH'S PHILA.	(149 cards)
On-Track	\$2,291,201	On-Track & phone	\$3,624,530
Intrastate Wagering	\$2,757,250	Intrastate Wagering	\$4,711,754
Interstate Wagering	\$64,650,928	Interstate Wagering	\$70,284,658
BET ON PRESQUE	\$69,699,379	BET ON PHILA.	\$78,620,942
BET ON T'BREDS	\$556,921,865	BET ON HARNESS	\$249,861,743

INTERSTATE BETTING ON 2013 PENNSYLVANIA RACING: \$806,783,608

2013 Purses Paid

THOROUGHBRED		HARNESS	
at Parx	\$54,116,000	at Meadows	\$35,644,758
at Penn National	\$36,301,855	at Philadelphia	\$39,856,944
at Presque Isle	\$19,619,394	at Pocono	\$32,400,501
T'Bred Purses	\$110,037,249	Harness Purses	\$107,902,203

2013 Revenue Generated by Wagering

	Parx	PN	PID	Mea	PcD	Phila.	TOTAL
THOROUGHBREDD							
Wagering Tax 1.5%	\$2,573,670	\$1,252,001	\$120,447	\$796,848	\$602,951	\$209,933	\$5,555,850
Exotic Pools Tax 1%	\$1,106,960	\$543,023	\$69,638	\$388,862	\$271,089	\$139,805	\$2,519,377
Breakage 25%	\$151,283	\$68,221	\$10,325	\$45,194	\$25,566	\$14,012	\$314,601
Admission	\$10,166	\$11,526	\$2,554	**	**	**	\$24,246
2013 Outs	\$678,771	\$304,342	\$58,231	**	**	**	\$1,041,344
TOTAL	\$4,520,850	\$2,179,113	\$261,195	\$1,230,904	\$899,606	\$363,750	\$9,455,418
HARNESS							
Wagering Tax 1.5%	\$419,063	\$115,455	\$10,250	\$455,472	\$332,980	\$154,395	\$1,487,615
Exotic Pools Tax 1%	\$199,469	\$57,293	\$5,388	\$229,214	\$160,375	\$71,704	\$723,443
Admission	**	**	**	\$4,970	\$4,840	\$4,726	\$14,536
2013 Outs	**	**	**	\$277,100	\$222,470	\$100,348	\$599,918
TOTAL	\$618,532	\$172,748	\$15,638	\$966,756	\$720,665	\$331,173	\$2,825,512
COMBINED							
Wagering Tax 1.5%	\$2,992,733	\$1,367,456	\$130,697	\$1,252,320	\$935,931	\$364,328	\$7,043,465
Exotic Pools Tax 1%	\$1,306,429	\$600,316	\$75,026	\$618,076	\$431,464	\$211,509	\$3,242,820
Breakage 25%	\$151,283	\$68,221	\$10,325	\$45,194	\$25,566	\$14,012	\$314,601
Admission	\$10,166	\$11,526	\$2,554	\$4,970	\$4,840	\$4,726	\$38,782
2013 Outs	\$678,771	\$304,342	\$58,231	\$277,100	\$222,470	\$100,348	\$1,641,262
TOTAL	\$5,139,382	\$2,351,861	\$276,833	\$2,197,660	\$1,620,271	\$694,923	\$12,280,930

** - included in "home" breed figure